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## BOOK REVIEWS.

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*La Russie économique.* By ALFRED ANSPACH. With an Introduction by CHARLES DE LARIVIÈRE. Paris: H. Le Soudier, 1904. 8vo, pp. xviii + 394.

THE writer of the introduction thinks that it was with more adulation than truth that Voltaire exclaimed, "The light is henceforth coming from the north," and the book under review is certainly an interesting comment on the prophecy.

With an incomparable spirit of wisdom have the successors of the great Czar [Peter the Great] unfolded and extended his program. (P. ii.)

The Russian sovereigns perceived with the clear mind of genius what Russia could become in the world's market. And there came a statesman who, seconded by a throng of co-workers whom he had assembled and guided with incomparable surety of vision, set in motion the admirable resources of the empire. . . . But that he could put into operation such a program, he owed particularly to the policy and the wise will of the emperors Alexander III. and Nicholas II. As was well said by Mr. R. Wassia: "It is under the shelter of this policy of peace that Russia has made the undeniable progress which has enabled her to rank with the industrial nations. (Pp. vii, viii.)

Among the results of the Russian policy of peace are "a transformed agriculture,"<sup>1</sup> "an admirably conceived network of railways; and equilibrium in the finances" of the empire (p. xi).

Mr. de Witte enjoys the confidence of the emperor, whose respectful and obedient co-worker he is. And the sovereign knows that this co-worker has labored for the good of Russia. It is thus that the best part of the glory which Russia will earn by its renovation will go to this emperor who received from the hands of his father a minister so well advised. (P. xiv.)

Mr. de Witte has just left the ministry of finance to assume the duties of president of the committee of ministers. He has not been disgraced, though his detractors and adversaries have sought to give color to this rumor. . . . Mr. de Witte retains the entire confidence of his sovereign, who would not have called him to preside over one of the highest institutions of the state, nor appointed him member of the council of the empire, had he intended a blow for him. (P. xvi.)

<sup>1</sup> Some instructive details were given in a recent review of *Wheat-Growing in Russia*, JOURNAL OF POLITICAL ECONOMY, December, 1903.

We are told in the introduction that the author of the book has lived twenty-seven years in Russia and, by study and perseverance, has learned to know among other things, "the Russian soul" which, "vague" as it appears to other occidentals, is "to him familiar in all the folds of its mysticism and fatuity" (p. xv). This, no doubt, admirably fits him to deal with Russian financial problems.

The first chapter, entitled "A Russian Statesman: His Excellency Mr. S. J. de Witte, Minister of Finance of Russia," is a general survey of Mr. de Witte's work. To confine ourselves to his career as minister of finance, we learn that

On August 30, 1892, he became acting minister of finance, and on January 1, 1893, he was at last appointed minister of finance and promoted to the rank of privy counselor. On the day of the coronation, May 14, 1896, he became secretary of state to his majesty the emperor, and on January 1, 1899, by imperial rescript, actual privy counselor. The minister of finance frequently received thanks and rescripts from his sovereign. No one has forgotten the rescript the emperor addressed to him in the beginning of 1903. He has all the Russian decorations up to (and including) St. Vladimir of the second degree, and many foreign decorations, among others the cross of the *Legion d'honneur*, the Black Eagle of Prussia, etc. (P. 5.)

Twelve chapters are devoted to the following subjects: railways, colonization of Siberia, the merchant-marine, the monetary reform, the public debt, Russian budgets for ten years, indirect taxes, the liquor question, gold-mining, the tariff, the relations between Russia and Persia, etc. Every chapter of the book is in the nature of a "bill of particulars" of Russia's indebtedness to her great minister, with dates and amounts specified.

Of all of Minister de Witte's achievements, those which most strongly appeal to the world of finance are doubtless the resumption of specie payments which had been suspended since the Crimean War, and the introduction of the gold standard. Yet even the statement of a panegyrist cannot hide the fact that Mr. de Witte's monetary reform was accomplished only through the repudiation of a part of the government's obligations: the depreciated treasury notes were redeemed at the rate of two-thirds of their par value, that is, at their average quoted price. There was no time in the Russian financial history when the government could not have resumed specie payments had it decided to redeem its notes at their market price. The course of the paper ruble had never sunk for any length of time below 60 per cent. of its par value, and in 1890 it rose as

high as 72.6 per cent. In 1891, in anticipating the effects of the general failure of the crops, the ruble declined to 66.8 per cent., which was still above the rate at which Mr. de Witte ultimately redeemed the treasury notes. Any private bank was ready in 1891 to exchange a Russian imperial (10 rubles in gold) or its equivalent in foreign gold coin for 14.97 rubles in irredeemable paper. There appears no reason to believe that the Russian government could not at that time have procured all the gold it needed, in exchange for paper, at the rate of 15 rubles for one imperial, which was subsequently adopted by Mr. de Witte as a basis for his monetary reform. Surely no difficulty would have been experienced in obtaining gold on such terms in 1890, when the rate of exchange was 13.80 rubles for one imperial. But throughout the forty-year period of inconvertible paper currency it was thought in government circles that in order to maintain the faith of the government toward its obligations the resumption of specie payments ought to be effected at par. As this was not feasible, the matter remained in abeyance. Mr. de Witte cut the Gordian knot by openly proclaiming the bankruptcy of the government. This was, however, no new revolutionary departure — Mr. de Witte merely followed the precedent of the Russian “assignments” which had been redeemed during the first half of the nineteenth century at 25 per cent. of their par value. In justification of his plan it may be argued that the losses occasioned by the depreciation of the paper currency had in the course of time gradually distributed themselves among all the people, while the resumption of specie payments at par would have accrued to the benefit of the last holders of the treasury notes, at the expense of all taxpayers. If this argument holds good, then the wisdom may well be questioned of Mr. de Witte's efforts to raise the ruble from 63 per cent. to  $66\frac{2}{3}$  per cent. as a condition precedent to carrying out his plan of repudiation. Surely the ethical aspects of bankruptcy are the same whether it amounts to one-third or three-eighths of the original obligation. If some people were benefited as a result of the rise of the paper ruble, it was at the expense of others.

Still the benefits of a stable currency and of the gold standard might be deemed sufficient in themselves to outweigh the inevitable imperfections of all things human. Unluckily, under the existing economic, financial, and political conditions of the Russian Empire, Mr. de Witte's monetary reform has no firm foundation. The antiquated system of taxation under which the burdens are appor-

tioned in inverse ratio to the resources of the taxpayers, the extreme poverty of the bulk of the latter, the heavy demands and the unrestrained powers of the government, all militate against the stability of the currency. The outbreak of hostilities in the East has immediately been followed by an issue of uncovered paper, and the exigencies of war may yet compel a return to the time-honored expedient of fiat money.

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*The Anthracite Communities: A Study of the Demography, the Social, Educational and Moral Life of the Anthracite Regions.* By PETER ROBERTS. New York: The Macmillan Co., 1904. 8vo, pp. xiii + 387.

*Die Lage der Bergarbeiter im Ruhrrevier.* By LORENZ PIEPER. Stuttgart and Berlin: J. G. Cotta'sche Buchhandlung Nachfolger, 1903. 8vo, pp. xii + 266.

THESE two volumes, though dealing with mining districts widely separated, present, as might be expected, many problems of the same character. They are the problems of large and compact bodies of rude laborers, in practical isolation, performing a highly dangerous service. What one would not look for, but finds, is the existence of common problems growing out of race antagonism. In the anthracite region every one is impressed with the social and economical import of the "Slav invasion;" the Ruhrrevier has also its portentous *Poienfrage*.

Of the two books that of Dr. Roberts has, as its title indicates, the broader scope. While primarily concerned with the mining population of the anthracite region, he is led into a study of community life, both as influencing, and as influenced by, those employed at the mines. The book is the continuation of the study begun in the *Anthracite Coal Industry* (1901), which was reviewed in this JOURNAL for June, 1902. The starting-point is made in the analysis of the population and its physical environment. The presence of twenty-six nationalities here is made to color the account in every chapter of the book. The usual division of these peoples into "English-speaking" or "Anglo-Saxon" peoples on the one hand, and the "Slavs," including all those from southern and eastern